Saskatchewan
Municipal
Employees'
Superannuation
Commission

Annual Report 1990

Municipal Employees' Superannuation Commission

TABLE OF CONTENTS

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		Page
I	Letters of Transmittal	2
II	Introduction	4
III	An Overview	5
	Legislative Amendments to The Municipal Employees' Superannuation Act	
IV	Operations of the Plan	6
	Interest Credits	
	Investment of Funds	
	Administration of the Plan	
	Ad Hoc Increase for Superannuates	
	Plan Membership	
	Comparative Statistics	
	Retirement Comparisons	
V	Allowances Granted	8
VI	Transfers to Other Registered Pension Plans	11
VII	Deaths of Members	12
VIII	Deaths of Superannuates	12
IX	Payments to Estates and Beneficiaries	14
X	Administration Expenses	14
XI	Auditor's Report and Financial Statements	15
	Balance Sheet	
	Statement of Changes in Fund Balance	
	Notes to the Financial Statements	

I—Letters of Transmittal

The Honourable Sylvia Fedoruk
Lieutenant Governor
Province of Saskatchewan

Madam:

I have the honour to transmit herewith the forty-ninth Annual Report of the Municipal Employees' Superannuation Commission for the year ending December 31, 1990.

I have the honour to be, Madam

Your Obedient Servant,

Honourable Ed Tchorzewski
Minister of Finance

The Honourable Ed Tchorzewski
Minister-in-Charge,
Municipal Employees'
Superannuation Commission,
Regina, Saskatchewan

Sir:

On behalf of the Municipal Employees' Superannuation Commission, I have the honour to present herewith the forty-ninth Annual Report of the Municipal Employees' Superannuation Commission for the fiscal year ended December 31, 1990.

Respectfully submitted,

Brian Smith
Chairman

II—Introduction

The Municipal Employees' Superannuation Commission consists of a Chairman appointed by the Lieutenant Governor in Council to represent the Government of Saskatchewan, and eight members representing their respective associations as listed below.

Name	Position	Representing
Roy C. Parkinson	Chairman	The Government of Saskatchewan
Gregorie (Greg) McCullagh	Vice-Chairman	Saskatchewan Police Officers and Firefighters
Jim Nichols	Member	Rural Municipal Administrators' Association of Saskatchewan
Ronald Walter	Member	Saskatchewan Association of School Business Officials
Owen Mann	Member	Saskatchewan Association of Urban Municipalities
Jerry Fizell	Member	Saskatchewan Regional Colleges Trustees' Association
Waldemer (Wally) Herman	Member	Saskatchewan Association of Urban Administrators
Dwight Welisch	Member	Saskatchewan School Trustees' Association
Kevin Olineck	Member	Saskatchewan Association of Rural Municipalities

The Commission members are ultimately responsible for the plan's administration, communication and investment activities. The major duties of the Commission include setting investment and accounting policies, and allocating interest to the fund. To discharge other responsibilities, the commission uses the services of a number of organizations.

Effective April, 1990, Mr. Kevin Olineck of Regina, Saskatchewan was appointed by the Saskatchewan Association of Rural Municipalities to be their representative on the Commission. Mr. Olineck replaces Mr. Daryl Chambers.

III—An Overview

An overview of the Municipal Employees' Superannuation Plan is provided in Note 1 in the Notes to the Financial Statements.

Legislative Amendments to The Municipal Employees' Superannuation Act

Several amendments were made to The Municipal Employees' Superannuation Act in 1990. They are as follows:

1. Effective July 1, 1990, continuous service (instead of credited service) is used for the purpose of qualifying for retirement. Continuous service is the uninterrupted service of a member including: authorized vacation, service with the Canadian Armed Forces during a period of national emergency provided the member had at least one year of service immediately prior to such service and returned to the service of an employer within six months following discharge, authorized leaves of absence, service prior to the July 1, 1973 effective date of the New Plan (i.e. includes service credited under the Former Plan) and leave due to illness. A member is eligible for a non-reduced pension when his or her age plus continuous service equals 80 years (minimum age 50 years and minimum service of 15 years). A designated police officer or firefighter is eligible for a non-reduced pension when his or her age plus continuous service equals 70 years (minimum age 45 years and a minimum of 15 years of service).

2. The rules for reduced early retirement were changed. Effective July 1, 1990 the reduction factor is applied from the date of eligibility for earliest unreduced early retirement rather than the normal retirement date.

3. Effective January 1, 1991 non-permanent employees must participate in the plan after working 700 hours in each of two consecutive calendar years. It is the employer's responsibility to designate an employee as permanent or non-permanent.

4. Survivor benefits were enhanced under the legislation.

a) Individuals entitled to a deferred allowance under the plan now have the same survivor benefits under the legislation as active members.

b) At a minimum, employees and superannuates are assured that their contributions together with interest as at the member's date of death will be paid out under all circumstances.

c) Survivor benefits will be based on the allowance to which a member was entitled. This ensures that the survivor benefit provided in the case of a member's death prior to retirement is equal to that provided after retirement.

d) A member's common-law spouse will be recognized for the purposes of survivor benefits. Common-law spouse is defined as ten years cohabitation.

e) Effective July 1, 1990, upon termination of employment, non-vested members (i.e. members whose age plus service is less than 45 years) who did not elect to receive a refund of their contributions plus interest, will automatically receive such a refund one year after their termination date of employment.

5. Effective July 1, 1991 the Commission has the responsibility to set the contribution rate for the plan. Employers and employees must continue to contribute equally to the fund. The Commission reviewed the contribution rate at its October meeting and passed a motion to maintain the current contribution rate of 8.5% for police and firefighters and 7% for the other plan members.

6. Effective July 1, 1990, the annual report of the Municipal Employees' Superannuation Commission must be tabled in the legislature in accordance with The Tabling of Documents Act.

Changes to The Municipal Employees' Superannuation Act were formally announced to plan members, participating employers and the Superintendent of Pensions for the Province of Saskatchewan.

IV—Operations Of The Plan

Interest Credits

For the year 1990, the Commission allocated interest to contributors' accounts at the rate of 10.50% per annum.

Investment of Funds

Effective June 1, 1988, The Investment Provisions Act placed the responsibility for holding in trust and investing the monies in the fund with the Municipal Employees' Superannuation Commission. Prior to this all monies in the fund were held in trust by the Minister of Finance.

The Commission hired the Investment Corporation to be its investment manager effective December 1, 1988. The Investment Corporation is responsible for investing the assets of the plan in accordance with the policy set by the Commission. The investment manger makes the day to day decisions - whether to buy or sell specific investments - in order to achieve the objectives set by the Commission.

When investments are bought and sold, the custodian pays or collects cash and receives and delivers the securities. The custodian also receives the income on investments and records all investment transactions completed by the Investment Manger. The Commission has appointed Royal Trust as the custodian of the plan.

The Commission engages the services of an asset consultant to provide advice on the overall management of the fund and on the measurement of the fund's performance. James P. Marshall, Inc. provides this service to the Commission.

Administration of the Plan

The Public Employees Benefits Agency provides the day-to-day administration of the pension plan.

The annual operating expenditures associated with the plan's administration are paid to the Public Employees Benefits Agency Revolving Fund, and are charged to the Municipal Employees' Superannuation Fund.

Implementation of the new computer system continued throughout 1990. The system will allow on-line access to member records and will have the ability to perform appropriate calculations when a member leaves the plan.

Ad Hoc Increase for Superannuates

In January, 1990, the Commission announced its seventh pension supplement to superannuates. Pensions that commenced prior to 1989 were increased by 4.25%.

Plan Membership

Employers	Number of Employers	Number of Employees
Cities	7	761
Towns	146	969
Villages	217	232
Rural Municipalities	298	1,486
School Divisions and Boards	99	2,369
Regional Libraries	6	107
Regional Colleges	13	186
Other Employers	19	137
Total Active Participants	805	6,247

Comparative Statistics

	1990	1989
Contributions to New Plan		
Employee	7,532,051	7,056,511
Employer	7,520,715	7,056,511
Contributions to Former Plan (Voluntary Contributions)		
Employee	57,588	66,260
Employer	32,798	41,681
Superannuation Allowances		
Number granted during the year	143	166
Pension Costs	6,711,673	5,657,840
Other Payments		
Refunds	1,558,605	1,234,366
Payments to Insurance Companies	99,275	66,895
Lump Sum Payments in Lieu of Allowances	71,501	79,259
Payments to Beneficiaries and/or Estates	116,241	115,895
Reciprocal Transfers to Other Pension Plans	324,364	422,676
Total Assets	293,001,665	262,385,618

IV—Operations Of The Plan (continued)

Retirement Comparisons

	1990	1989
Normal Retirement (age 65)	71	104
Early Retirement	49	45
Postponed Retirement	16	13
Other	7	4
Total Retirements	143	166

V—Allowances Granted

#	DATE	AGE	NEW PLAN CONTRIBUTORY PENSION	YEARS	MONTHS	FORMER PLAN PENSION	FORMER PLAN FUNDS	TYPE OF ANNUITY
1	Mar-89		127.99 *	10	5			
2	Nov-89	65	308.91	14	1	52.42	5,394.80	I-0
3	Nov-89	65	240.48	13	2	43.92	4,578.54	J-0-50
4	Dec-89	65	170.83	10	11	273.80	28,866.09	I-10
5	Jan-90	57				975.29 *	109,519.31	I-15
6	Jan-90	66	661.36	13	0	109.86	11,644.47	J-10-50
7	Jan-90	65	226.04	12	4	51.65	4,593.77	I-0
8	Jan-90	65	427.84	16	6	62.23	6,439.31	J-0-50
9	Jan-90	66	616.34	14	9	239.17	24,929.83	J-10-50
10	Jan-90	56	553.70	16	6	167.17	18,251.81	I-10
11	Jan-90	65	251.05	9	6	69.11	6,965.63	J-0-50
12	Jan-90	53	1,206.62	16	6	310.72	40,352.93	J-15-50
13	Jan-90	65	72.75	5	3			
14	Jan-90	65	69.57	4	5	36.37	3,732.08	J-0-50
15	Jan-90	65	144.03	7	1	64.09	7,583.35	J-10-50
16	Jan-90	64	672.07	16	10	399.47	39,355.56	J-10-50
17	Jan-90	65	162.10	9	2	67.93	6,041.88	I-0
18	Jan-90	62	1,210.55	16	6	289.73	31,547.73	J-10-50
19	Jan-90	60	32.30	2	0	480.39	53,789.01	J-10-50
20	Feb-90		153.08 *	16	6			
21	Feb-90	63	673.63	10	4	399.67	41,229.96	I-15
22	Feb-90	65	77.51	9	0	31.29	3,118.05	I-0
23	Feb-90	65	127.91	7	5	17.89	1,757.52	J-0-50
24	Feb-90	65	365.26	15	2	71.67	7,344.61	J-0-50
25	Feb-90	60	476.56	14	11	35.33	3,434.72	I-0
26	Feb-90	69	252.45	10	5	189.75	17,591.10	I-0
27	Feb-90	65	230.07	8	7	45.71	4,359.59	J-0-50
28	Feb-90	54	1,387.49	16	7	310.29	36,123.09	J-15-50
29	Feb-90	65	121.06	8	8			
30	Feb-90	61	374.84	13	3	32.88	3,664.67	J-0-50
31	Feb-90	65	321.01	15	3	81.31	8,171.95	J-0-50
32	Feb-90	65	165.37	10	10	89.71	9,457.74	I-0
33	Feb-90	64	936.95	16	7	901.94	92,442.82	J-10-50
34	Feb-90	65	548.19	16	7	164.60	17,358.29	J-10-50
35	Feb-90	65	298.54	10	3	78.80	8,296.19	J-0-50
36	Mar-90	65	73.72	4	11	60.44	6,073.47	J-0-50
37	Mar-90	63	412.73	12	8	84.68	8,304.70	J-0-50
38	Mar-90	65	96.04	9	8	33.38	3,452.02	I-15
39	Mar-90	65	135.46	7	10	230.93	23,134.06	J-10-50
40	Mar-90	65	147.22	10	2	29.25	2,994.80	J-0-50
41	Apr-90	61	696.38	16	9	725.07	73,733.02	J-15-50
42	Apr-90	65	90.83	5	11	54.15	5,160.17	J-0-50
43	Apr-90	65	87.89	6	0	87.72	8,107.52	J-0-50
44	Apr-90	55	129.80	13	6	28.79	2,999.67	J-0-50
45	Apr-90	65	309.55	10	8	74.92	7,115.85	J-0-50
46	Apr-90	65	129.89	5	10	19.52	1,827.61	J-0-50
47	May-90	64	624.13	16	10	65.06	6,062.72	J-0-50

#	DATE	AGE	NEW PLAN PENSION	CONTRIBUTORY YEARS	SERVICE MONTHS	FORMER PLAN PENSION	FORMER PLAN FUNDS	TYPE OF ANNUITY
48	May-90	65	40.17	5	0	29.67	2,842.66	J-0-50
49	May-90	63	741.10	16	10	55.91	5,249.31	J-0-50
50	May-90	65	441.14	15	6	101.20	9,409.31	J-0-50
51	May-90	62	657.06	16	1	88.28	8,561.00	J-0-50
52	May-90	65	225.96	9	2	50.33	4,690.32	J-0-50
53	May-90	65	75.53	4	0	48.24	4,590.93	J-0-50
54	May-90	65	115.66	9	8	25.00	2,395.33	J-0-50
55	May-90	64	168.07	8	9	94.44	9,005.46	J-0-50
56	May-90		443.27 *	11	8			
57	May-90	65	116.92	4	2	34.99	3,292.37	J-0-50
58	Jun-90	54	997.60	15	8	227.64	25,238.92	J-15-50
59	Jun-90	65	299.85	13	6	31.27	3,075.64	J-0-50
60	Jun-90	65	180.76	9	8	65.04	6,154.69	J-0-50
61	Jun-90	55	105.39	5	3	TRANSFERRED TO INSURANCE COMPANY		
62	Jun-90	63	755.02	16	5	147.72	12,704.65	I-0
63	Jun-90	65	577.90	16	11	97.51	9,548.80	J-5-50
64	Jun-90	64	634.50	16	10	361.63	36,322.61	J-10-50
65	Jul-90	58	1,082.11	17	0	747.37	78,752.67	J-10-50
66	Apr-90	62	860.66	16	9	333.00	33,124.04	J-5-50
67	Jul-90	64	602.71	17	0	133.40	13,210.09	J-10-50
68	Jul-90	65	408.06	17	0	118.87	10,296.52	I-5
69	Jul-90	60	1,089.15	17	0	116.50	12,282.26	J-10-50
70	Jul-90	66	251.58	10	9	95.75	9,363.74	I-10
71	Jul-90	65	665.62	16	8	554.06	54,659.68	J-10-50
72	Jul-90	66	64.59	3	4	79.56	6,971.56	J-0-50
73	Jul-90	62	676.82	14	11	66.45	6,694.96	J-0-50
74	Jul-90	58	673.33	17	0	328.61	35,193.40	J-15-50
75	Jul-90	67	109.76	5	11	69.02	6,929.77	J-10-50
76	Jul-90	65	9.57	4	1	168.98	16,670.07	J-10-50
77	Jul-90	51	1,856.29	17	0	411.03	45,315.62	J-10-50
78	Jul-90	65	197.11	13	0	70.30	6,960.50	I-0
79	Jul-90	65	25.60	2	11	34.70	3,392.18	J-0-50
80	Jul-90	66	82.77	5	5	23.39	2,104.51	J-0-50
81	Aug-90	63	634.38	14	0	20.56	1,831.18	I-0
82	Jul-90	64	474.79	16	5	62.32	6,256.71	J-0-50
83	Aug-90	59	772.29	17	1	101.15	10,741.48	J-10-50
84	Aug-90	65	83.71	5	8	246.39	23,244.71	J-10-50
85	Aug-90	65	213.16	14	3	250.51	23,470.77	I-10
86	Jul-90	61	413.82	14	8	25.72	2,680.74	J-0-50
87	Aug-90	65	133.41	9	10	68.51	6,970.52	J-0-50
88	Jul-90	64	874.95	17	0	92.39	8,814.61	J-0-50
89	Aug-90	64	679.51	16	3	134.37	12,647.45	J-10-50
90	Aug-90	61	584.10	16	11	4.69	495.92	J-0-50
91	Jul-90	65	103.76	11	8	35.78	3,427.31	J-0-50
92	Aug-90	65	198.41	8	1	35.96	3,470.69	J-0-50
93	Aug-90	65	67.60	3	2	44.98	4,484.48	J-0-50
94	Aug-90	65	113.01	4	10	51.97	5,149.26	J-0-50
95	Aug-90	65	173.94	9	10	56.47	5,683.37	J-0-50
96	Aug-90	61	616.35	15	4	145.35	13,703.17	I-5
97	Feb-90	65	44.86	6	3	26.98	2,755.38	J-0-50
98	Jan-90	57	630.54	16	0	53.34	5,980.43	J-0-50
99	May-90	55	414.42 **	16	3			

#	DATE	AGE	NEW PLAN PENSION		CONTRIBUTORY YEARS	SERVICE MONTHS	FORMER PLAN PENSION	FORMER PLAN FUNDS	TYPE OF ANNUITY
100	Sep-90	63	1,010.95		17	0	401.64	37,582.55	J-10-50
101	Sep-90	60	797.88		16	1	260.51	27,341.15	J-15-50
102	Sep-90	64	1,156.76		15	7	148.71	13,710.89	J-0-50
103	Aug-90	60	521.00		14	4	45.50	4,506.59	J-0-50
104	Jul-90	64	422.94		15	4	43.25	4,316.40	J-0-50
105	Sep-90	64	1,608.71		17	2	1,532.85	156,434.19	J-10-50
106	Sep-90	62	1,414.84		17	2	1,488.46	153,954.57	J-15-50
107	Sep-90	61	649.37		14	5	62.03	6,336.93	J-0-50
108	Sep-90	65	420.09		16	8	79.65	7,599.26	J-0-50
109	Sep-90	65	116.35		9	2	57.40	5,632.77	J-0-50
110	Sep-90	65	158.42		9	6	24.28	2,278.17	J-0-50
111	Jul-90	65	139.01		8	4	39.44	3,870.40	J-0-50
112	Aug-90	66	31.87		2	6	35.36	3,620.97	J-10-50
113	Oct-90	63	1,035.37		17	3	136.03	13,363.31	I-10
114	Oct-90	56	1,251.44		17	3	762.98	81,704.05	J-10-50
115	Oct-90	65	478.48		12	11	111.37	10,642.90	J-0-50
116	Oct-90	65	302.54		17	3	104.71	10,211.23	J-5-50
117	Oct-90	65	29.40		4	10	35.85	3,411.64	J-0-50
118	Oct-90	65	315.99		12	10	61.25	5,645.52	J-0-50
119	Oct-90	70	176.00		12	6	179.07	16,165.21	I-10
120	Oct-90	65	110.87		6	4	76.08	7,200.02	J-0-50
121	Oct-90	65	49.30		3	9	28.92	2,622.29	J-0-50
122	Oct-90	65	63.27		4	8	41.65	3,896.84	J-0-50
123	Oct-90	65	607.54		11	9	120.08	11,654.08	J-10-50
124	Oct-90	53	1,252.87		17	3	445.26	47,122.26	J-10-50
125	Oct-90	63	1,096.09		16	5	529.03	51,719.49	J-10-50
126	Oct-90	71					2,256.95	212,667.08	J-15-50
127	Oct-90		260.73	*	15	9			
128	Nov-90	65	163.26		11	0	137.47	12,864.25	J-0-50
129	Nov-90		527.48	*	16	9			
130	Nov-90	60	770.84		15	7	54.98	5,606.09	J-0-50
131	Nov-90	65	250.11		11	8	108.90	10,150.08	J-0-50
132	Nov-90	65	448.33		12	3	168.27	15,485.02	J-0-50
133	Nov-90	65	476.51		11	7	116.74	10,967.82	J-0-50
134	Nov-90	65	499.46		17	0	169.98	15,573.32	J-0-50
135	Nov-90	65	469.09		17	4	607.68	60,086.59	J-10-50
136	Nov-90	58	655.98		15	3	31.08	3,193.23	J-0-50
137	Nov-90	64	1,117.37		17	4	471.10	46,596.97	J-15-50
138	Dec-90	65	219.23		12	10	116.85	11,233.72	J-0-50
139	Dec-90	68	308.18		11	6	214.96	20,909.99	J-10-50
140	Dec-90	57	64.04		7	2	65.73	7,060.65	J-0-50
141	Nov-90	65	470.00		17	1	110.13	10,924.46	J-10-50
142	Apr-90	65	683.32		16	9	1,231.94	124,731.46	J-15-50
143	Sep-90	65	108.72		6	6	32.93	3,150.57	J-0-50

* Dependent's Allowance
** Disability Pension

VI—Transfers to Other Registered Pension Plans

Employer	Transferee	Amount
1. Town of Kindersley	CMB	2,560
2. Town of Kamsack	PESP	3,183
3. Buffalo Plains School District No. 21	STSC	5,876
4. Northern Lights School District No. 113	STSC	6,022
5. Northwest Regional College	PESP	8,227
6. Town of Watrous	PESP	18,670
7. Rural Municipality of Fertile Valley No. 285	MMEP	42,090
8. Town of Kamsack	MMEP	44,997
9. City of Prince Albert	PESP	454
10. Town of Meadow Lake	PESP	36,475
11. Town of Leader	APSA	2,742
12. City of Yorkton	APSA	32,062
13. City of Prince Albert	OTHER	56,308
14. Rural Municipality of Canaan No. 225	SHA	18,736
15. Davidson School District No. 31	APSA	3,924
16. Town of Creighton	APSA	4,389
17. Town of Humboldt	APSA	16,031
18. Saskatchewan School Trustee	PESP	9,511
19. Prairie West Regional College	PESP	12,057
20. Prairie West Regional College	PESP	50
		324,364

Explanation fo Abbreviations:

APSPA - Alberta Public Service Pension Administration
CMB - Crown Management Board
MMEP - Manitoba Municipal Employees' Plan
PESP - Public Employees Superannuation Plan
SHA - Saskatchewan Health-Care Association
STSC - Saskatchewan Teachers' Superannuation Commission

OTHER - City of Saskatoon

VII—Death of Members

Payments to Estates, Beneficiaries, or Dependants

Name	Date of Death	Age at Time of Death
Armstrong, James	September-08-1990	62
Cutsforth, W. Neal	December-11-1990	61
Eisenzimmer, Barbara	July-10-1990	58
Nagel, Gordon	November-08-1990	64
Philip, James	January-17-1990	63
Sekerak, Martin	November-12-1990	38
Sims, Gordon	December-27-1990	51
Stewart, Robert	June-11-1990	50
Trithart, Clavien	June-06-1990	47

VIII—Deaths Of Superannuates

Name	Date of Death	Age at Time of Death
Bauer, F.	April-08-1990	88
Bell, L.	June-03-1990	76
Blackstock, P.	July-04-1990	77
Bohach, A.	March-25-1990	62
Brown, A.	April-17-1990	74
Bruce, H.	October-15-1990	77
Buttar, W.R.	November-18-1990	77
Cairns, R.	July-05-1990	65
Cooney, P.	June-27-1990	70
Currie, B.	May-28-1990	73
Eby, W.	March-20-1990	82
Edwards, D.	August-06-1990	55
Friesen, G.	March-26-1990	69
Grieef, D.	December-03-1989	80
Guidos, M.	June-05-1990	78
Gunn, W.	December-24-1990	69
Hansen, M.	January-22-1990	66
Harris, R.	September-06-1990	92
Haug, E.	February-06-1990	67
Henry, S.	November-28-1989	81
Janzen, P.	September-07-1990	78
Koester, R.	August-10-1990	79
Kopperud, J.	September-19-1990	84
Kreptul, M.	December-24-1989	74

VIII—Deaths Of Superannuates (continued)

Name	Date of Death	Age at Time of Death
Lang, W.	April-11-1990	66
MacDonald, R.	February-01-1990	72
MacLennan, C.	February-26-1990	77
Markle, C.	December-23-1989	81
Maxwell, H.	December-19-1989	76
Miller, M.	December-26-1989	77
Morton, I.	February-06-1990	73
Neufeld, J.	April-7-1990	67
Nick, J.	January-28-1990	80
Park, C.	August-01-1990	74
Paul, W.	June-26-1990	70
Protsack, N.	March-08-1990	88
Riddell, H.	November-07-1990	79
Sauer, E.	October-28-1990	70
Schiltroth, K.	August-18-1990	73
Schlichting, W.	May-11-1990	66
Sixsmith, J.	November-09-1989	84
Spurrier, K.	June-09-1990	75
Stachyruk, J.	October-19-1990	82
Stewart, G.	February-21-1990	68
Talloden, P.	March-25-1990	72
Ulmer, J.	October-25-1990	75
Wallace, H.	October-05-1990	71
Werner, L.	November-23-1989	66
Westerberg, J.	February-02-1990	89
Wiebe, J.	April-03-1990	76
Wilson, N.	June-13-1990	72

IX—Payments To Estates and Beneficiaries

Payments to Estates and Beneficiaries

Payment No.	Amount
1.	$ 13,725
2.	11,205
3.	11,397
4.	7,514
5.	56*
6.	5,516
7.	4,413
8.	34,234
9.	19,203
10.	8,978
	$116,241

* Additional contribution received in 1990

X—Administration Expenses

Salaries—Permanent—in scope	$129,425
—Permanent—out of scope	36,957
Honorariums	3,850
Sub Total	170,232
Investment Fees	238,221
Computer Services	213,944
Management Consultant	11,450
Operating Expenses	52,375
Postage	4,583
Rental	17,192
Total Administration Fees	$707,997

XI—Auditor's Report and Financial Statements

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have audited the balance sheet of The Municipal Employees' Superannuation Fund as at December 31, 1990 and the statement of changes in fund balance for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the fund as at December 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 3 to the financial statements.

W. K. Strelioff

Regina, Saskatchewan
April 26, 1991

W. K. Strelioff, C.A.
Provincial Auditor

The Municipal Employees' Superannuation Fund

Balance Sheet

As At December 31

	1990	1989
Assets		
Cash	$ 756,046	$ 1,046,525
Contributions and other accounts receivable	1,313,655	1,323,118
Accrued interest	4,193,627	3,634,950
Investments (Note 4)	286,738,337	256,381,025
	$293,001,665	$262,385,618
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	$ 258,409	$ 223,093
Provision for future annuities	20,449,409	18,197,765
Total liabilities	20,707,818	18,420,858
Fund balance:		
Defined Benefit Plan	253,039,522	225,105,462
Money Accumulation Plan	13,448,771	13,729,876
Annuity Underwriting	(3,539,141)	(2,925,890)
Supplementary Benefits	9,344,695	8,055,312
Total fund balance	272,293,847	243,964,760
	$293,001,665	$262,385,618

(see accompanying notes to the financial statements)

The Municipal Employees' Superannuation Fund

Statement of Changes in Fund Balance

Year Ended December 31,1990

	Defined Benefit Plan		Money Accumulation Plan		Annuity Underwriting Activity		Supplementary Benefits Activity		Total	Total
	1990	1989	1990	1989	1990	1989	1990	1989	1990	1989
Balance beginning of year	$225,105,462	$196,018,447	$13,729,876	$14,075,184	$(2,925,890)	$(2,955,406)	$8,055,312	$7,048,364	$243,964,760	$214,186,589
Add:										
Contributions - employees	7,532,051	7,056,511	57,588	66,260	---	---	---	---	7,589,639	7,122,771
- employers	7,520,715	7,056,511	32,798	41,681	---	---	---	---	7,553,513	7,098,192
Interest on funds transferred in	106,912	16,551	---	---	---	---	---	---	106,912	16,551
Interest earned	21,477,392	21,983,410	1,343,874	1,355,470	1,414,830	1,461,858	685,758	491,858	24,921,854	25,292,596
Contributions - rural pension supplements	12,669	14,472	---	---	---	---	---	---	12,669	14,472
	36,649,739	36,127,455	1,434,260	1,463,411	1,414,830	1,461,858	685,758	491,858	40,184,587	39,544,582
Deduct:										
Transfers to other retirement plans	324,364	421,413	---	1,263	---	---	---	---	324,364	422,676
Lump sum payments to estates	77,734	79,517	38,507	36,378	---	---	---	---	116,241	115,895
Payments in lieu of annuities	69,244	52,750	2,257	26,509	---	---	---	---	71,501	79,259
Payments to insurance company	---	---	99,275	66,895	---	---	---	---	99,275	66,895
Withdrawls with interest	1,548,474	1,234,336	10,131	---	---	---	---	---	1,558,605	1,234,336
Allowance	3,055,065	2,422,988	---	---	2,490,506	2,267,841	1,166,102	967,011	6,711,673	5,657,840
Actuary fees	14,200	28,876	---	---	---	---	---	---	14,200	28,876
Administration	707,997	512,396	---	---	---	---	---	---	707,997	512,396
Changes in actuarial value	---	---	---	---	2,251,644	1,648,238	---	---	2,251,644	1,648,238
	5,797,078	4,752,276	150,170	131,045	4,742,150	3,916,079	1,166,102	967,011	11,855,500	9,766,411
Add (Deduct):										
Intra-fund transactions:										
Retirement annuities purchased	---	---	(2,714,069)	(2,483,737)	2,714,069	2,483,737	---	---	---	---
Forfeitures	---	---	(141)	---	---	---	141	---	---	---
Excess employee contributions	(1,149,015)	(806,063)	1,149,015	806,063	---	---	---	---	---	---
	(1,149,015)	(806,063)	(1,565,195)	(1,677,674)	2,714,069	2,483,737	141	---	---	---
Net Increase (Decrease)	29,703,646	30,569,116	(281,105)	(345,308)	(613,251)	29,516	(480,203)	(475,153)	28,329,087	29,778,171
Balance before the following	254,809,108	226,587,563	13,448,771	13,729,876	(3,539,141)	(2,925,890)	7,575,109	6,573,211	272,293,847	243,964,760
Funds transferred	(1,769,586)	(1,482,101)	---	---	---	---	1,769,586	1,482,101	---	---
Balance, end of year	$253,039,522	$225,105,462	$13,448,771	$13,729,876	$(3,539,141)	$(2,925,890)	$9,344,695	$8,055,312	$272,293,847	$243,964,760

(see accompanying notes to the financial statements)

Notes to the Financial Statements

December 31, 1990

1. Description of the Municipal Employees' Superannuation Fund

General

The Municipal Employees' Superannuation Act (Act), Section 11, provides authority for the Municipal Employees' Superannuation Fund. The Act directs that all allowances, payments and refunds under the Act shall be payable out of the fund in the manner provided in the Act together with all benefits granted under a former Act. The Municipal Employees' Superannuation Commission is responsible for holding in trust and investing the monies of the fund. The Municipal Employees' Superannuation Commission's composition and authority to administer the Act are provided in Section 7 of the Act.

Fund Balances

The Municipal Employees' Superannuation Fund is composed of several activities. The purpose and details of the activities are outlined below.

Defined Benefit Plan

The defined benefit plan became effective July 1, 1973. The Plan is mandatory for permanent employees with one year of service. Contributions are established at 7% of earnings net of deemed Canada Pension Plan contributions and are matched by the employer.

At age 65 an employee is entitled to pension benefits equal to:

- 1.3% of that portion of his average salary averaged over the five calendar years of highest salary which is not in excess of the average yearly maximum pensionable earnings under the Canada Pension Plan for the three years immediately prior to retirement; and

- 2% of that portion of his average salary averaged over the five calendar years of highest salary, if any, which exceed the average yearly maximum pensionable earnings under the Canada Pension Plan for the three years immediately prior to retirement;

for each year and fractional year of contributory service in the plan prior to retirement.

An employee who has attained the age of at least 65 years and who is credited with at least 15 years of continuous service may retire and receive an early retirement pension; however, such allowance is subject to a reduction of .25% per month for each month that his early retirement date precedes the day on which the member would have been eligible for an allowance without reduction if the member had continued to be a member until that day.

An employee can retire without a reduction in pension if his age plus continuous service total 80 (70 for policemen and firemen).

Upon termination of employment, where age and service total less than 45 years, the member may withdraw all of his own contributions plus interest; however, in such cases the funds contributed by his employer on his behalf are forfeited to the fund.

When the terminating employee's age and service total 45 years or more, he may either withdraw up to one-half of his own contributions and interest and remain eligible for a reduced allowance at normal retirement age, or he may leave all funds with the plan and receive a full nonreduced deferred pension at normal retirement age.

When an employee dies and has less than ten years of credited service, his named beneficiary or estate is entitled to a lump sum refund of the decedent's contributions and interest. In cases where the deceased member had at least ten years of credited service, his surviving spouse is entitled to an allowance amounting to 60% of what would be payable if the decedent were alive and eligible for pension. Additional benefits, not exceeding 25% of the decedent's calculated pension, may be payable where dependent children are also involved. Where the deceased member had 10 or more years of credited service and dies in service but leaves no spouse or dependents, the decedent's named beneficiary or estate receives a refund of the decedent's contributions plus interest.

If a pensioner dies leaving a spouse, 60% of the pension is paid for life. If a pensioner dies leaving a dependent but no spouse, the 60% allowance is paid to one child. If there is no spouse or dependent, the balance of member contributions plus interest at retirement less pension payments is paid in a lump sum.

Interest is allocated annually on the basis of the defined benefit plan's portion of the total assets of the fund.

Any surpluses that arise in the fund as a result of the activity can be utilized at the discretion of the Commission.

Money Accumulation Plan

The Money Accumulation Plan consists of members who made contributions to the money purchase plan in effect prior to July 1, 1973. Upon retirement a member must purchase an annuity from either the fund or a private insurer based on employee and employer contributions together with interest thereon. In the event of death prior to retirement, the member's spouse may receive a life annuity or elect to receive a lump sum payment of employee and employer accounts. If the member's beneficiary is other than his spouse, a lump sum payment of employee and employer contributions plus interest is made.

In addition, the accounts set up to record mandatory contributions made to the fund prior to July 1, 1973, may also contain:

- voluntary employee and/or employer contributions made either before or after July 1, 1973;

- any employee and/or employer contributions made to the plan subsequent to normal retirement age, and;

- any excess employee funds transferred from the new plan pursuant to Subsection 20(4) of The Municipal Employees' Superannuation Act.

Interest is credited annually to the individual member's account balances in accordance with the provisions of the governing legislation. An interest rate of 10.5% was approved by the Commission for 1990 and 1989.

Any forfeitures of the employer contributions resulting from an employee withdrawing from the plan are removed from the plan and credited to the supplementary benefits activity for use at the discretion of the Commission.

Annuity Underwriting

Upon retirement, members of the Money Accumulation Plan must purchase a life annuity through the Commission or a private insurer.

If a member elects to purchase through the Commission, the individual's account balance is transferred to the annuity underwriting activity and an annuity contract is agreed to based on current interest rates and annuity tables.

The present value of future annuities is reflected as a liability to the fund and a charge against the annuity underwriting activity.

Any surplus resulting from the activity can be utilized at the discretion of the Commission.

Supplementary Benefits

In accordance with the Act, the Commission may pay supplementary benefits to superannuates to compensate them for lost purchasing power.

These supplementary benefits can be made by the Commission as long as the solvency of the entire fund is not impaired.

Funding for supplementary benefits results from forfeitures from the money purchase plan and from the Commission transferring surplus amounts from the other activities.

Interest is allocated annually on the basis of the activity's portion of the total assets of the Fund.

2. Scope of Financial Statements

Participants are responsible for the accuracy and completeness of member contributions remitted and for the employee payroll information on which benefit payments are determined. Accordingly, these financial statements presume the accuracy and completeness of the participants' contributions and payroll information received from participants.

3. Accounting Policies

These financial statements have been prepared in accordance with accounting principles considered appropriate for the fund. The significant accounting policies are as follows:

Accrual Accounting

The financial statements are prepared on the accrual basis. The statements show only the position of the fund as at the year-end and do not purport to show the adequacy of the fund to meet its future obligations except that the fund records a provision for the present value of future annuity payments.

Investments

The bonds and debentures are recorded at amortized cost, and any premiums or discounts associated with their acquisition are amortized on a straight-line basis. When bonds and debentures are sold to permit

reinvestment, any gain or loss as a result of the sale and any unamortized premiums or discounts are amortized over the remaining term of the security sold. Short-term deposit certificates, corporate shares, mortgages and real estate are recorded at cost. Any gains or losses resulting from their sale are recognized in the period of the sale.

4. Investments

	1990		1989	
	Cost	Market Value	Cost	Market Value
Bonds and debentures at par	$139,330,724		$127,395,947	
Less:				
Unamortized gains/losses	(1,736,808)		(1,978,819)	
Unamortized premiums/discounts	(3,282,818)		(3,740,252)	
	$134,311,098	$133,108,365	$121,676,876	$127,338,761
Deposit certificates - short-term	54,241,700	54,241,700	45,903,416	45,903,416
Corporate shares	83,592,108	80,899,109	77,272,605	82,546,500
Mortgages	6,940,306	6,530,480	7,112,328	7,101,139
Real estate	7,653,125	8,975,867	4,415,800	5,560,212
Investments - to Statement 1	$286,738,337	$283,755,521	$256,381,025	$268,450,028

5. Actuarial Valuation

An actuarial valuation carried out as at December 31, 1986 calculated a surplus of $37,291,237. The actuary used the accrued benefit method to determine whether the assets in the fund at valuation date were sufficient to finance the benefits earned in respect of service to the valuation date.

As at December 31, 1989 a valuation was carried out to determine the future contribution rate required to finance benefits to be earned in the future. Although that valuation is not appropriate for accounting purposes, it indicated the fund continued to show a surplus.

For the year ended December 31, 1991 a valuation appropriate for accounting purposes will be obtained.

6. Administrative Costs

The expenses of administering the Fund are a charge on and are paid out of the Municipal Employees' Superannuation Fund.